Manitoba
Housing
Landlord and
Tenant Affairs

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MG-12290

REPORT ON THE ADMINISTRATION
OF THE
RENT REGULATION PROGRAM
FOR THE FISCAL YEAR ENDED
MARCH 31, 1988

Manitoba

Minister of Housing

Room 215
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8
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July 25, 1988

The Honourable George Johnson
Lieutenant Governor of Manitoba

May It Please Your Honour:

In accordance with Section 15 of The Residential Rent Regulation Act I am pleased to submit the report on the administration of the Rent Regulation Program for the fiscal year ended March 31, 1988, for the information of Your Honour.

Respectfully submitted,

Honourable Gerald Ducharme
Minister of Housing

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RENT REGULATION BUREAU

LANDLORD AND TENANT AFFAIRS BRANCH
RENT REGULATION BUREAU

The Rent Regulation Bureau, together with the Office of the Rentalsman, form the Landlord and Tenant Affairs Branch.

The Rent Regulation Bureau is charged with the administration of the Residential Rent Regulation Act. The Act, together with the corresponding Regulations, specifies:

- the annual rent increase guideline for premises under its jurisdiction;
- the type and class of buildings excluded from the legislation;
- the rights and obligations of landlords and tenants under the legislation; and
- the various procedures to be followed in the administration of the Act.

The Rent Regulation Bureau's main areas of activities consist of:

- reviewing and processing landlord applications for rent increases above the guideline;
- reviewing and processing tenants' objections to any rent increases whether below, at, or above guideline;
- recommending allowable rent increases based on landlords' applications and tenants' objections;
- investigating non-compliance with the legislation; and
- taking action for non-compliance, where applicable.

A perhaps less formalized but equally important function of the Bureau is the ongoing monitoring and evaluation of applicable economic indicators and developments which may have the potential to affect conditions in the rental housing market. Contacts with the relevant agencies of other levels of government and the housing industry provide the Bureau with the opportunity to examine in advance proposed new and changing programs, legislation or policy directions emanating from these agencies. While activities of this nature are not always easily quantified, they are, nevertheless, an important aspect of the Bureau's ongoing attempt to maintain as equitable a rent regulation program as possible.

ACTIVITIES EXTENDING ACROSS FISCAL YEARS

For the purpose of reporting to the Legislature under the Residential Rent Regulation Act, the rental year coincides with the calendar year.

The annually determined guideline amount, which establishes the threshold above which rent increases must be reviewed and approved by the Rent Regulation Bureau, is set on a calendar year basis. Consequently, the effective date of the rent increase determines the year under which the increase will be recorded and reported by the Bureau.

The Residential Rent Regulation Act requires that a report on the administration of the Act be prepared on a fiscal year basis. As a result, activities of the Bureau during any given fiscal year include rent increases, and other related issues, pertaining to three different calendar years. For instance, the 1987/88 fiscal year includes unresolved 1986 issues, most of the 1987 cases, and a substantial number of applications for 1988 rent increases. The statistical tables in this report identify the year in the heading whenever the particular data pertain to a specific calendar year only. As such, Tables 1 and 2 are simply statistical summaries for activities relating to rent increases that came into effect during the 1987 and 1988 calendar years respectively. Consequently, the figures within these tables identifying the two fiscal years are not comparable. The same applies to the corresponding tables in the Rent Appeals section of the report.

TABLE 1

CALENDAR YEAR 1987

STATISTICAL SUMMARY FOR MANITOBA

APPLICATIONS BY LANDLORDS FOR RENT INCREASES ABOVE GUIDELINE	1986/87 FISCAL YEAR	1987/88 FISCAL YEAR
Carried forward from previous year	-	4,452
Received - Winnipeg	6,352	2,705
- Brandon	390	35
- Rural	136	226
TOTAL	6,878	7,418
Applications withdrawn	15	212
Determined	2,411	6,953
ACTIVE	4,452	253

OBJECTIONS BY TENANTS TO INCREASES LESS THAN OR EQUAL TO THE GUIDELINE		
Carried forward from previous year	-	27
Received - Winnipeg	38	65
- Brandon	2	8
- Rural	1	10
TOTAL	41	110
Objections withdrawn	10	28
Determined	4	58
ACTIVE	27	24

COMPLIANCE		
Received - Winnipeg	338	265
- Brandon	-	17
- Rural	2	24
TOTAL	340	306
Resolved	104	243
BALANCE	236	63
Referred to Rent Appeal Panel	236	63
ACTIVE	-	-

TABLE 2

CALENDAR YEAR 1988

STATISTICAL SUMMARY FOR MANITOBA

APPLICATIONS BY LANDLORDS FOR RENT INCREASES ABOVE GUIDELINE	1986/87 FISCAL YEAR	1987/88 FISCAL YEAR
Carried forward from previous year	-	-
Received - Winnipeg	-	4,175
- Brandon	-	288
- Rural	-	194
TOTAL	-	4,657
Applications withdrawn	-	44
Determined	-	2,402
ACTIVE	-	2,211
OBJECTIONS BY TENANTS TO INCREASES LESS THAN OR EQUAL TO THE GUIDELINE		
Carried forward from previous year	-	-
Received - Winnipeg	-	40
- Brandon	-	6
- Rural	-	1
TOTAL	-	47
Objections withdrawn	-	8
Determined	-	8
ACTIVE	-	31
COMPLIANCE		
Received - Winnipeg	-	83
- Brandon	-	11
- Rural	-	51
TOTAL	-	145
Resolved	-	142
BALANCE	-	3
Referred to Rent Appeal Panel	-	3
ACTIVE	-	-

ACTIVITY SUMMARY

All statistics throughout this report are expressed in terms of the number of rental units affected (i.e. if all 24 units in an apartment building are under review, our statistics will reflect this with a count of 24).

Table 3 measures the volume of activities of the Rent Regulation Bureau on a comparative basis for the fiscal years 1986/87 and 1987/88. The processing of landlord applications for rent increases above the guideline decreased by more than 2,500 units in the 1987/88 fiscal year. Tenant objections to guideline or less increases were processed at a considerably reduced level (111 vs. 192) during the 1987/88 fiscal year.

A similar trend can be observed in the reduction of investigations under the heading "Compliance Cases". The volume of activities in this category has been declining over the past several years.

Appeals of recommendations issued by the Rent Regulation Bureau as well as the receipt of applications for temporary exemption from rent regulations due to major rehabilitation work rests with the Rent Appeals Branch of Manitoba Housing. The 1987/88 fiscal year saw a significant reversal in the ratio of appeals to recommendations issued. Historically, this ratio had remained fairly constant at one to four. In 1987/88 it was 1 to 2.5. This shift does not necessarily indicate an increased tendency to appeal recommendations. Appeals on one or two large apartment buildings can distort the impact on these relatively small numbers.

The rehabilitation provisions of the Residential Rent Regulation Act provide for a two stage process. First, a landlord submits an application for rehabilitation of the premises and for approval to proceed with the project. Once the project is completed, the landlord applies for the previously determined exemption period to be ratified.

During the 1987/88 fiscal year, Appeal Panels heard presentations seeking approval to commence major rehabilitation projects on a total of 151 rental units. In addition, applications for temporary exemptions from Rent Regulation were considered on 11 rental units where previously - applied-for rehabilitation projects had been completed. This is down in both instances where in the 1986/87 fiscal year the corresponding figures were 421 and 200 respectively.

TABLE 3

ACTIVITY SUMMARY

ACTIVITIES	PROCESSED DURING FISCAL YEAR 1986/87	1987/88
Landlord Applications For Rent Increases	12,387	9,735
Tenant Objections To Guideline or Less Increases	192	111
Compliance Cases	686	451
Appealed Recommendations	3,062	4,042
Applications For Rehabilitation	421	151
Applications For Exemption	200	11

TABLE 4

INCOMING FORMS

TYPE OF FORMS	RECEIVED IN FISCAL YEAR 1986/87	1987/88
Notices Of Increase In Rent	55,676	55,604
Notices To New Tenants	17,875	17,267
Tenant Objections To Guideline Or Less Increases	165	132
Tenant Objections To Above Guideline Increases	2,483	1,817
Applications For Rent Increases Above Guideline	10,377	7,623
Notices Of Appeal	4,115	2,871
Applications For Rehabilitation	380	181
Applications For Exemption	200	11

The Manitoba Residential Rental Housing Market

The total rental housing stock in Manitoba is in excess of 126,000 dwellings. About 100,000 of the dwellings are under the jurisdiction of the Residential Rent Regulation Act (controlled units); the remaining 26,000 units are exempt for various reasons as permitted by the Act and its Regulations. (i.e. less than five years old, approved rehabilitation projects, etc.)

Tables 5 and 6 list the average rent levels for 1987 and 1988 on controlled as well as exempt units for some major Manitoba communities. The controlled sector consists of units where above guideline increases were allowed by the Bureau and units where landlords had restricted the increase to the guideline amount. The adjacent percentage figures express the average rent increase taken, in either 1987 or 1988, to reach these rent levels.

Values in these two tables cannot be compared across the two rental years since the properties reporting are not necessarily the same properties for both years. As a case in point, Brandon shows the average rent level for controlled units in 1987 as $361 while in Table 6, 1988 average rents are given as $357 which is shown as a 3.2% increase - a seemingly contradictory result. However, the 1988 values are quite valid although only a limited number of properties had reported by the time this report was prepared. Most rent increases take place in the second half of the calendar year and, consequently, the final figures for 1988 average increases and rent levels will be reflected in next year's annual report.

The annually determined guideline amount for rent increases remained at 3% in 1988 - the same level that was set for the previous two years. It is not unexpected then that average percentage increases in 1988, for both the controlled and exempt sector, appear to be in a similar range and follow the pattern that was set in 1987.

Final 1987 data shows that the average rent levels for Manitobans who occupied rental housing in the controlled sector rose by 3.3%; the increase in the exempt sector was 2.6%. Early 1988 data indicates average increases of 3.9% in the controlled sector and 2.8% for exempt units. It is noteworthy to observe that average increases in the exempt sector are considerably lower, in percentage terms, than those in the controlled environment. This is a reversal of previous realities in the rental housing market.

TABLE 5

MANITOBA RENTAL MARKET

1987 AVERAGE RENT LEVELS AND INCREASES ON REPORTING UNITS, WINNIPEG AND RURAL MANITOBA

	CONTROLLED UNITS		EXEMPT UNITS	
LOCATION	AVERAGE RENT LEVEL	AVERAGE % INCREASE	AVERAGE RENT LEVEL	AVERAGE % INCREASE
Winnipeg	414	3.4	460	2.6
Brandon	361	3.3	429	2.4
Dauphin	289	3.1	441	4.6
Portage La Prairie	396	5.2	477	4.0
Selkirk	395	2.9	453	4.5
The Pas	204	(1.7)	-	-
Thompson	321	2.3	376	(15.5)
Northern Region	312	3.5	353	5.1
Southern Region	239	3.1	469	5.6
Rural	306	2.8	443	1.8
MANITOBA	**403**	**3.3**	**457**	**2.6**

NOTE:

1. The average rent levels in this table are averages of the final rents after the 1987 rent increases were taken.

2. Rural figures exclude Winnipeg and Brandon.

3. Data for the Northern and Southern Regions are exclusive of the above listed communities; the boundary between the two regions runs just north of Pine Falls.

Manitoba Rental Market
1987 Average Rent Levels
Controlled Units

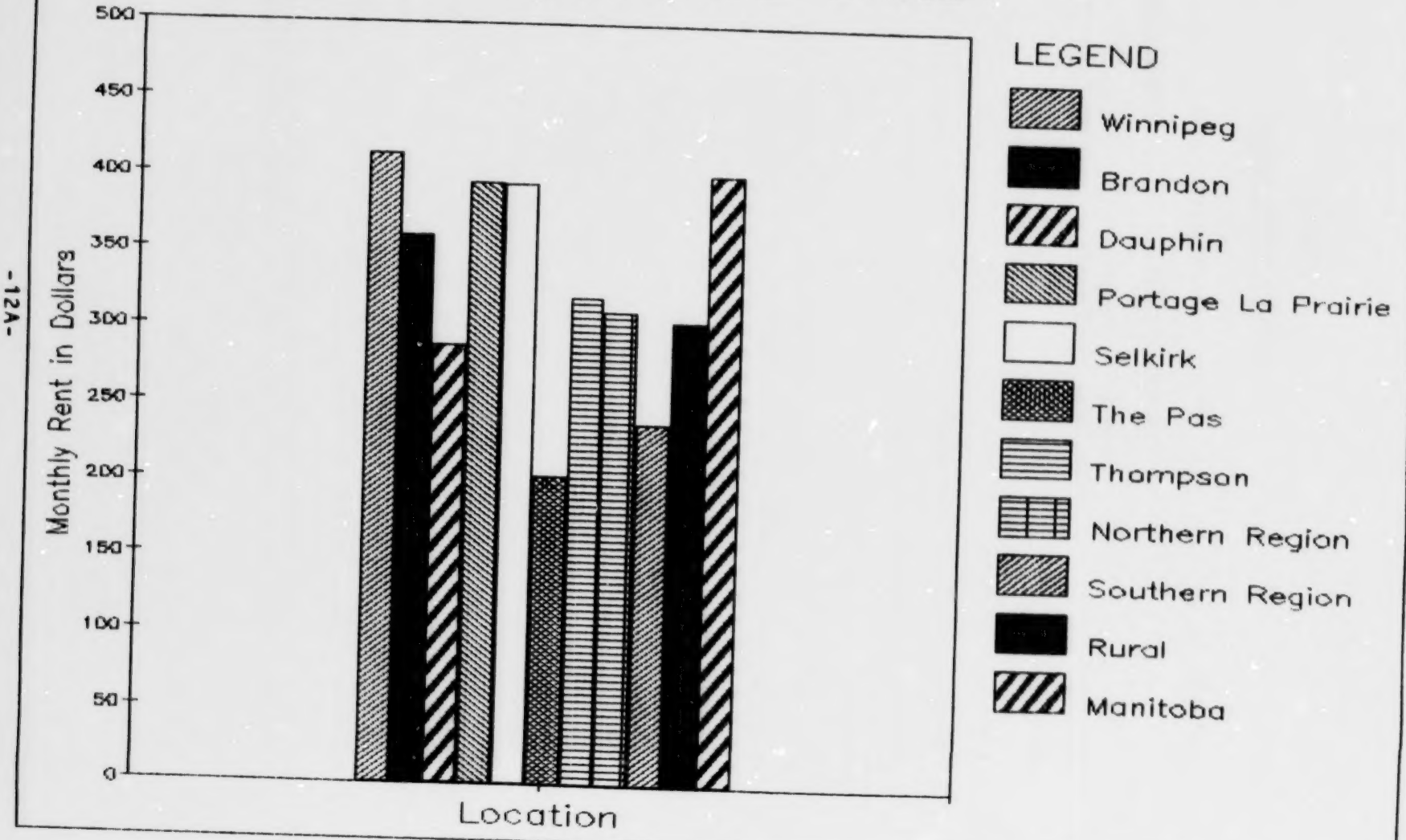


TABLE 6

MANITOBA RENTAL MARKET

1988 AVERAGE RENT LEVELS AND INCREASES ON REPORTING UNITS, WINNIPEG AND RURAL MANITOBA

	CONTROLLED UNITS		EXEMPT UNITS	
LOCATION	AVERAGE RENT LEVEL	AVERAGE % INCREASE	AVERAGE RENT LEVEL	AVERAGE % INCREASE
Winnipeg	454	4.0	485	2.8
Brandon	357	3.2	475	2.5
Dauphin	288	2.4	457	3.5
Portage La Prairie	398	2.5	x	x
Selkirk	390	3.0	496	2.1
The Pas	417	2.0	474	1.9
Thompson	360	3.1	405	2.2
Northern Region	311	10.7	459	3.0
Southern Region	255	4.1	409	(0.5)
Rural	320	3.7	432	2.3
MANITOBA	**432**	**3.9**	**481**	**2.8**

X - Available statistics are too limited to be included.

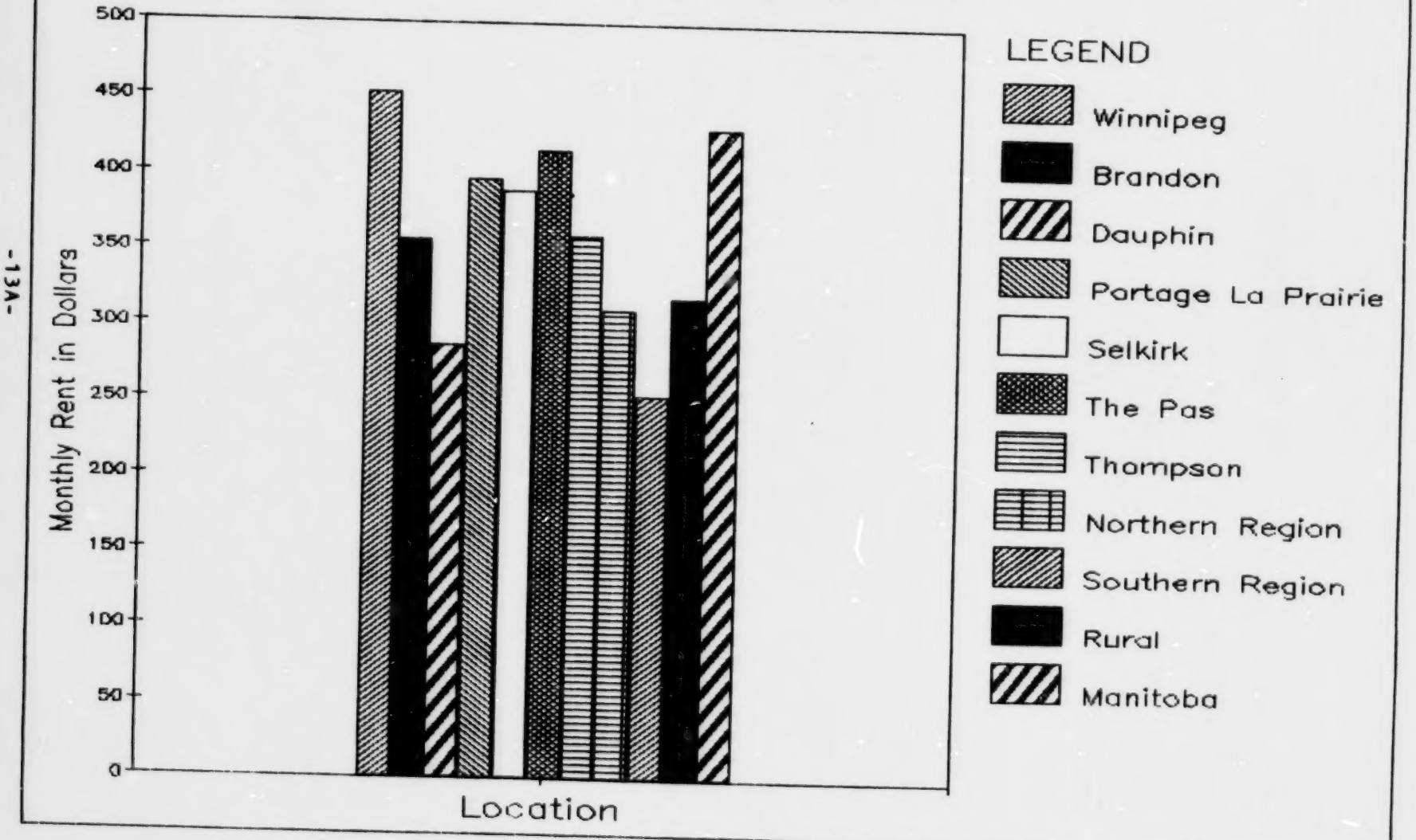
NOTE:

1. The average rent levels in this table are averages of the final rents after the 1988 rent increases were taken.

2. Rural figures exclude Winnipeg and Brandon.

3. Data for the Northern and Southern Regions are exclusive of the above listed communities; the boundary between the two regions runs just north of Pine Falls.

Manitoba Rental Market
1988 Average Rent Levels
Controlled Units



RENT LEVELS AND INCREASES

WINNIPEG

Tables 7 and 8 detail average rent levels and increases in Winnipeg for 1987 and 1988 respectively. Rent levels within a suite type drop as the age of the building increases. This relationship can be expected to hold true in future years, as it has in the past, since initial rents in a new building are set based on the cost of construction and, consequently, this factor is then reflected in higher rent levels for buildings of more recent construction.

On the other hand, average percentage increases follow the opposite path, i.e. older buildings, generally, show higher average percentage increases. The actual dollar increases, however, are not quite as divergent.

This pattern is partly a reflection of the Rent Regulation Process which allows increases based on actual operating cost increases for the rental property. Operating costs for rental properties remain relatively constant for a considerable length of time in the lifetime of a building. A large portion of these costs, along with their periodic increases, are beyond the control of building management and are based on economic factors not directly related to a specific building. Increases in these costs affect all rental properties to the same degree with the resulting allowable dollar rent increases being of similar magnitude regardless of rent levels. As a corollary to this, it can then be assumed that landlords'

applications for rent increases above the guideline amount are primarily based on increases in operating expenses rather than low rent levels. Data in Table 7 which deal with the more complete 1987 statistics seem to support this observation. Average rent levels for those that applied for above guideline increases and those that took guideline amount increases were equal prior to the 1987 increase. This is the second year that this observation holds true.

TABLE 7
WINNIPEG

1987 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3% AVERAGE RENTS
Bachelor	0-1945	239	7.4	241
	1946-1959	259	5.0	264
	1960-1977	327	5.8	332
	1978+	x	x	298
	TOTAL	**282**	**6.3**	**291**
1 Bedroom	0-1945	298	7.1	291
	1946-1959	347	5.9	318
	1960-1977	409	5.5	395
	1978+	479	0.1	451
	TOTAL	**395**	**5.0**	**379**
2 Bedroom	0-1945	366	8.6	377
	1946-1959	425	5.6	374
	1960-1977	485	5.1	469
	1978+	576	2.1	560
	TOTAL	**485**	**4.9**	**471**
3 Bedroom	0-1945	439	14.8	493
	1946-1959	528	6.4	447
	1960-1977	516	6.0	538
	1978+	580	4.0	611
	TOTAL	**524**	**6.1**	**555**
4 Bedroom	0-1945	x	x	468
	1946-1959	-	-	x
	1960-1977	516	6.6	579
	1978+	x	x	630
	TOTAL	**518**	**6.4**	**531**
Other	0-1945	317	11.8	320
	1946-1959	349	10.1	339
	1960-1977	363	5.8	416
	1978+	475	0.3	540
	TOTAL	**367**	**5.9**	**402**
TOTAL	**ALL YEARS**	**422**	**5.2**	**412**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1987 rent increases were taken.

TABLE 8
WINNIPEG
1988 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3% AVERAGE RENTS
Bachelor	0-1945	307	12.6	239
	1946-1959	259	10.0	251
	1960-1977	321	4.5	354
	1978+	-	-	373
	TOTAL	**314**	**7.4**	**311**
1 Bedroom	0-1945	345	9.3	298
	1946-1959	338	7.2	328
	1960-1977	440	4.2	419
	1978+	450	3.2	488
	TOTAL	**433**	**4.4**	**411**
2 Bedroom	0-1945	422	16.5	375
	1946-1959	361	7.8	398
	1960-1977	511	3.6	498
	1978+	554	3.8	599
	TOTAL	**506**	**3.9**	**511**
3 Bedroom	0-1945	544	9.9	479
	1946-1959	407	8.0	454
	1960-1977	526	3.9	575
	1978+	609	4.3	627
	TOTAL	**538**	**4.5**	**582**
4 Bedroom	0-1945	-	-	479
	1946-1959	-	-	-
	1960-1977	859	14.4	562
	1978+	-	-	-
	TOTAL	**859**	**14.4**	**543**
Other	0-1945	326	12.3	370
	1946-1959	396	5.8	328
	1960-1977	451	5.5	441
	1978+	502	6.6	544
	TOTAL	**436**	**6.1**	**439**
TOTAL	**ALL YEARS**	**469**	**4.4**	**451**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1988 rent increases were taken.

WINNIPEG DISTRICTS

The average 1987 rent within the controlled sector and the various districts that make up the City of Winnipeg is $414 per month. This ranges from a high of $502 in Charleswood/Tuxedo to a low of $330 in Weston. Traditionally, Charleswood/Tuxedo together with River Heights show the highest rent levels due to the high concentration of luxury apartments in these areas. There are, however, a number of other areas in the city where average rent levels are closely following suit; primarily in The Maples, Assiniboia, Fort Garry and Fort Rouge. With the exception of Fort Rouge, which has always been a preferred location due to its central location with easy access to downtown, all the other areas were, only a few years ago, part of the outer periphery of the city. The high level of rental housing construction in these areas in the late 70's and again in the mid 80's created modern and sought-after rental accommodation at above average rent levels.

The climbing vacancy rate is beginning to moderate rent increases, especially in the above average group. This development is more pronounced in the exempt sector which should help to maintain a relatively small difference in rent levels between the two segments of the market.

TABLE 9
WINNIPEG RENTAL MARKET

1987 AVERAGE RENT LEVELS AND INCREASES ON REPORTING UNITS

LOCATION	CONTROLLED UNITS		EXEMPT UNITS	
	AVERAGE RENT LEVEL	AVERAGE % INCREASE	AVERAGE RENT LEVEL	AVERAGE % INCREASE
Charleswood/Tuxedo	502	2.9	779	(2.1)
Crestwood - Assiniboia/ St. James/Westwood	447	3.2	557	3.7
East Kildonan/Elmwood	396	3.7	437	3.0
Fort Rouge	428	3.6	448	3.3
Fort Garry/St. Norbert	444	3.3	486	1.6
Maples/Tyndall Park/ West Kildonan	451	3.4	330	3.2
North Kildonan	406	3.2	526	3.8
North Winnipeg	333	4.5	322	5.2
River Heights	480	3.3	600	5.3
St. Vital	422	3.7	460	2.3
St. Boniface/Windsor Park/Southdale	408	3.8	380	3.7
Transcona	374	4.9	468	3.3
West Winnipeg	354	4.0	325	1.6
Winnipeg Centre	355	2.5	413	0.4
Weston	330	4.0	439	2.9
TOTAL WINNIPEG	**414**	**3.4**	**460**	**2.6**

NOTE: 1. The average rent levels in this table are averages of the final rents after the 1987 rent increases were taken.

TABLE 10

WINNIPEG RENTAL MARKET

1988 AVERAGE RENT LEVELS AND INCREASES ON REPORTING UNITS

LOCATION	CONTROLLED UNITS		EXEMPT UNITS	
	AVERAGE RENT LEVEL	AVERAGE % INCREASE	AVERAGE RENT LEVEL	AVERAGE % INCREASE
Charleswood/Tuxedo	552	4.8	780	1.0
Crestwood - Assiniboia/ St. James/Westwood	470	3.2	529	0.8
East Kildonan/Elmwood	396	3.1	397	2.4
Fort Rouge	435	3.7	471	3.1
Fort Garry/St. Norbert	478	4.5	559	1.4
Maples/Tyndall Park/ West Kildonan	493	5.7	432	9.4
North Kildonan	454	3.8	568	2.0
North Winnipeg	361	3.9	349	4.7
River Heights	562	9.0	x	x
St. Vital	488	3.8	483	2.9
St. Boniface/Windsor Park/Southdale	485	4.4	378	5.3
Transcona	442	3.2	504	6.8
West Winnipeg	387	3.8	328	4.3
Winnipeg Centre	389	3.5	414	0.5
Weston	345	4.0	503	7.1
TOTAL WINNIPEG	**454**	**4.0**	**485**	**2.8**

X - Available statistics are too limited to be included.

NOTE: 1. The average rent levels in this table are averages of the final rents after the 1988 rent increases were taken.

BRANDON

The Brandon average percentage increase of 3.5% allowed by the Bureau on applications for rent increases above the guideline for the calendar year 1987 is considerably lower than the Winnipeg figure of 5.2% for increases in the same category. The overall Brandon rent level of $319 is somewhat misleading in as much as this includes a significant number of "Mobile Home Park" units. These units are included in the "other" category and since their rent represents charges for the mobile home pad only, they, effectively, lower the overall average rent level. Exclusion of these units brings average rents much closer to the Winnipeg level. Rent levels versus age of building show a relationship similar to the one observed for the Winnipeg rental market. Considering all factors, there is very little difference between Winnipeg and Brandon in the cost of renting accommodation.

TABLE 11
BRANDON
1987 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3% AVERAGE RENTS
Bachelor	0-1945	-	-	x
	1946-1959	-	-	-
	1960-1977	-	-	324
	1978+	-	-	361
	TOTAL	-	-	**342**
1 Bedroom	0-1945	324	5.0	310
	1946-1959	-	-	273
	1960-1977	339	4.7	381
	1978+	458	1.1	427
	TOTAL	**398**	**2.5**	**374**
2 Bedroom	0-1945	372	4.9	374
	1946-1959	-	-	294
	1960-1977	432	4.9	426
	1978+	486	2.1	473
	TOTAL	**460**	**2.9**	**425**
3 Bedroom	0-1945	-	-	337
	1946-1959	x	x	-
	1960-1977	-	-	x
	1978+	551	2.6	510
	TOTAL	**539**	**2.7**	**494**
4 Bedroom	0-1945	x	x	x
	1946-1959	-	-	-
	1960-1977	-	-	-
	1978+	-	-	-
	TOTAL	**x**	**x**	**x**
Other	0-1945	170	4.9	287
	1946-1959	x	x	334
	1960-1977	-	-	362
	1978+	-	-	174
	TOTAL	**170**	**4.9**	**251**
TOTAL	**ALL YEARS**	**319**	**3.5**	**371**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1987 rent increases were taken.

TABLE 12
BRANDON

1988 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3% AVERAGE RENTS
Bachelor	0-1945	-	-	-
	1946-1959	-	-	-
	1960-1977	-	-	350
	1978+	-	-	348
	TOTAL	-	-	**349**
1 Bedroom	0-1945	346	4.6	273
	1946-1959	-	-	287
	1960-1977	362	6.1	383
	1978+	-	-	425
	TOTAL	**350**	**5.1**	**381**
2 Bedroom	0-1945	399	4.2	430
	1946-1959	-	-	299
	1960-1977	397	3.9	445
	1978+	-	-	478
	TOTAL	**398**	**4.1**	**446**
3 Bedroom	0-1945	-	-	279
	1946-1959	x	x	-
	1960-1977	-	-	415
	1978+	-	-	530
	TOTAL	**x**	**x**	**493**
4 Bedroom	0-1945	-	-	x
	1946-1959	-	-	-
	1960-1977	-	-	-
	1978+	-	-	-
	TOTAL	-	-	**x**
Other	0-1945	129	9.2	237
	1946-1959	-	-	x
	1960-1977	-	-	x
	1978+	-	-	523
	TOTAL	**129**	**9.2**	**244**
TOTAL	**ALL YEARS**	**179**	**7.3**	**395**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1988 rent increases were taken.

RURAL AREAS

The residential rental market in the rural area of the province has a much less homogeneous structure than the one found in the two major urban centres of Winnipeg and Brandon. The total rural rental market ranges from the well established and professionally managed, in communities such as Thompson, Dauphin, Portage La Prairie, The Pas and Selkirk, to a mix of single family houses and converted structures that form part of the rental market in small settlements or remote communities. A considerable segment of rural rental housing is occupied by friends, relatives, or employees of the landlord. In these instances, rent increases rarely occur on an annual basis. It is quite common for no increases to have been taken for a number of years regardless of any increases in operating costs. Quite often it is only a tenancy turnover that causes a landlord to reassess his financial position and seek an increase above the guideline amount. The small structure (not more than three rental units) of the rental property frequently allows the landlord to apply under section 16(2) of the Act. Provisions under this section of the Act allow landlords, of structures in which there are not more than three rental units, to increase rents to market levels, if the previous tenant vacated voluntarily. This avenue raises the overall average percentage increases allowed above those registered for Winnipeg or Brandon (See Tables 13 and 14).

TABLE 13
RURAL
1987 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3% AVERAGE RENTS
Bachelor	0-1945	-	-	271
	1946-1959	-	-	208
	1960-1977	x	x	279
	1978+	-	-	-
	TOTAL	**x**	**x**	**274**
1 Bedroom	0-1945	-	-	356
	1946-1959	x	x	278
	1960-1977	367	5.4	332
	1978+	-	-	383
	TOTAL	**363**	**5.5**	**344**
2 Bedroom	0-1945	392	10.5	383
	1946-1959	294	7.8	267
	1960-1977	412	6.5	381
	1978+	-	-	421
	TOTAL	**408**	**6.0**	**387**
3 Bedroom	0-1945	-	-	313
	1946-1959	-	-	226
	1960-1977	336	23.2	299
	1978+	-	-	369
	TOTAL	**336**	**23.2**	**308**
4 Bedroom	0-1945	-	-	296
	1946-1959	-	-	116
	1960-1977	x	x	360
	1978+	-	-	384
	TOTAL	**x**	**x**	**339**
Other	0-1945	264	6.5	172
	1946-1959	x	x	x
	1960-1977	267	9.9	265
	1978+	97	26.0	342
	TOTAL	**253**	**8.8**	**199**
TOTAL	**ALL YEARS**	**327**	**7.2**	**305**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1987 rent increases were taken.

TABLE 14
RURAL

1988 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3% AVERAGE RENTS
Bachelor	0-1945	-	-	279
	1946-1959	-	-	214
	1960-1977	-	-	283
	1978+	-	-	-
	TOTAL	-	-	**279**
1 Bedroom	0-1945	294	24.0	314
	1946-1959	-	-	285
	1960-1977	-	-	351
	1978+	x	x	370
	TOTAL	**294**	**22.1**	**346**
2 Bedroom	0-1945	338	27.6	352
	1946-1959	-	-	259
	1960-1977	326	23.5	397
	1978+	-	-	433
	TOTAL	**333**	**26.1**	**389**
3 Bedroom	0-1945	x	x	217
	1946-1959	-	-	133
	1960-1977	333	31.9	194
	1978+	-	-	140
	TOTAL	**338**	**32.1**	**186**
4 Bedroom	0-1945	-	-	207
	1946-1959	-	-	122
	1960-1977	-	-	133
	1978+	-	-	137
	TOTAL	-	-	**141**
Other	0-1945	120	12.8	225
	1946-1959	246	9.1	-
	1960-1977	360	4.3	257
	1978+	-	-	358
	TOTAL	**284**	**5.5**	**234**
TOTAL	**ALL YEARS**	**306**	**16.0**	**322**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1988 rent increases were taken.

SYNOPSIS

Increases in rent within the controlled sector averaged 3.3% in Manitoba with an average rent level of $403. The corresponding figures for Winnipeg are 3.4% and $414.

Although early 1987 data showed some decline from 1986 in the rate rents advanced in the exempt sector, final 1987 results show a further and more significant reduction in the magnitude of rent increases on exempt units from 4.7% in calendar year 1986 to 2.6% in calendar year 1987. Similar initial results are showing for early 1988 reported increases. However, the difference in rent levels between the controlled and the exempt sector is still maintained at approximately $50 (Tables 5 & 6). This apparent restraint in the exempt sector may well be a reflection of the rising vacancy rates in Winnipeg. Canada Mortgage & Housing Corporation reported the October, 1986 vacancy rate as 1.6% versus the October, 1987 rate at 2.8%.

Increases on rental units where landlords applied for amounts above the guideline of 3% in 1987 gained, on average, an additional 2.2% for a total allowable increase of 5.2% with average rent levels of $416 (Table 15). Figures for Winnipeg are almost identical with 5.2% but a slightly higher average rent level of $422 (Table 7).

TABLE 15
MANITOBA

1987 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3% AVERAGE RENTS
Bachelor	0-1945	239	7.4	243
	1946-1959	259	5.0	263
	1960-1977	327	5.9	330
	1978+	x	x	308
	TOTAL	**282**	**6.3**	**292**
1 Bedroom	0-1945	299	7.1	302
	1946-1959	347	5.9	318
	1960-1977	408	5.5	391
	1978+	477	0.02	448
	TOTAL	**395**	**5.0**	**377**
2 Bedroom	0-1945	367	8.1	379
	1946-1959	422	5.6	369
	1960-1977	482	5.1	460
	1978+	559	2.1	542
	TOTAL	**482**	**4.8**	**460**
3 Bedroom	0-1945	439	14.8	441
	1946-1959	493	6.2	334
	1960-1977	514	6.1	486
	1978+	574	3.7	580
	TOTAL	**524**	**5.9**	**506**
4 Bedroom	0-1945	482	44.3	414
	1946-1959	-	-	175
	1960-1977	512	6.6	448
	1978+	x	x	446
	TOTAL	**514**	**8.8**	**427**
Other	0-1945	246	9.0	273
	1946-1959	349	10.0	338
	1960-1977	358	5.9	404
	1978+	456	0.1	499
	TOTAL	**341**	**5.9**	**368**
TOTAL	**ALL YEARS**	**416**	**5.2**	**400**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1987 rent increases were taken.

TABLE 16
MANITOBA

1988 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE: AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE: AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3%: AVERAGE RENTS
Bachelor	0-1945	307	12.6	243
	1946-1959	259	10.0	250
	1960-1977	321	4.5	346
	1978+	-	-	356
	TOTAL	**314**	**7.4**	**310**
1 Bedroom	0-1945	339	9.1	299
	1946-1959	338	7.2	325
	1960-1977	439	4.2	410
	1978+	446	3.3	472
	TOTAL	**429**	**4.5**	**402**
2 Bedroom	0-1945	390	16.2	374
	1946-1959	361	7.8	379
	1960-1977	507	3.7	477
	1978+	554	3.8	577
	TOTAL	**498**	**4.3**	**488**
3 Bedroom	0-1945	536	10.7	415
	1946-1959	391	10.4	245
	1960-1977	508	5.2	496
	1978+	609	4.3	598
	TOTAL	**522**	**5.6**	**518**
4 Bedroom	0-1945	-	-	433
	1946-1959	-	-	122
	1960-1977	859	14.4	419
	1978+	-	-	137
	TOTAL	**859**	**14.4**	**383**
Other	0-1945	146	10.0	299
	1946-1959	321	7.0	329
	1960-1977	431	5.3	435
	1978+	502	6.6	540
	TOTAL	**270**	**6.7**	**402**
TOTAL	**ALL YEARS**	**434**	**4.8**	**432**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1988 rent increases were taken.

RENT APPEALS BRANCH

RENT APPEALS BRANCH

Although the appeal function is an integral part of the Rent Regulation Program and is defined in the Residential Rent Regulation Act, the execution of this function rests within the Rent Appeals Branch and is totally independent of the Landlord and Tenant Affairs Branch.

The primary responsibilities of the Appeals Branch are:

- hearing and adjudicating appeals by landlords or tenants relating to rent increase recommendations issued by the Rent Regulation Bureau;
- considering applications for rent rollback as submitted by the Rent Regulation Bureau; and
- processing applications for the rehabilitation of buildings that may then qualify for temporary exemption from rent increase limitations under the Residential Rent Regulation Act.

All adjudications and orders under the appeal process are made by panels consisting of one or more members. Appeal panelists are private citizens from all walks of life appointed by the provincial government.

ACTIVITY SUMMARY

The appeal function is the last level of activity in the Rent Regulation Program. The peak work load in the Appeals Branch follows about two to three months after the peak work period in the Rent Regulation Bureau. Table 1A reflects this shift to some degree by recording the bulk of 1987 appeal activity in the latter part of the year i.e. 1987/88 fiscal year column.

Based on decisions issued by the Appeals Branch, more than 50% of appealed recommendations, for rent increases effective in the 1987 calendar year, were varied by appeal panels. About 1 in 3 appealed recommendations experienced no change - 1238 were upheld and 179 were either withdrawn by the appellant or rejected by the Appeals Branch. Most rejections are caused by late appeals.

The rehabilitation provisions provide for a two stage process:

1. Landlord applies and obtains approval to proceed with project.

2. After successful completion of project, landlord then applies for a period of exemption from rent increase limitations.

The process is illustrated in Table 1A where 134 applications for rehabilitation were processed during the 1987/88 fiscal year; 57 received approval to commence rehabilitation work while 77 were rejected.

Prior to the end of the 1987/88 fiscal year, the work on six units was completed and upon subsequent application these units received exemptions for varying periods of time. All approved projects do not necessarily complete the planned rehabilitation work. Some projects are modified to a degree where they no longer meet the criteria for exemption; others are simply abandoned and do not apply for exemption.

Table 2A deals with appeals relating to rent increases that take effect early in the 1988 calendar year. The bulk of 1988 appeals will be processed during the 1988/89 fiscal year.

TABLE 1A

CALENDAR YEAR 1987

STATISTICAL SUMMARY FOR MANITOBA

APPEALS	1986/87 FISCAL YEAR	1987/88 FISCAL YEAR
Landlord Initiated	726	1,969
Tenant Initiated	143	428
Dual Initiated	32	42
Carried Forward	-	823
TOTAL	901	3,262
DECISIONS		
Recommendation Upheld	15	1,238
Recommendation Varied	44	1,825
Appeals Withdrawn/Rejected	19	179
APPLICATIONS FOR REHABILITATION		
Approved	-	57
Rejected	34	77
TOTAL	34	134
APPLICATIONS FOR EXEMPTION		
Approved	-	6
Rejected	-	-
Pending	-	-

Disposition of 1987 Applications
Fiscal Year Ended March 31/88

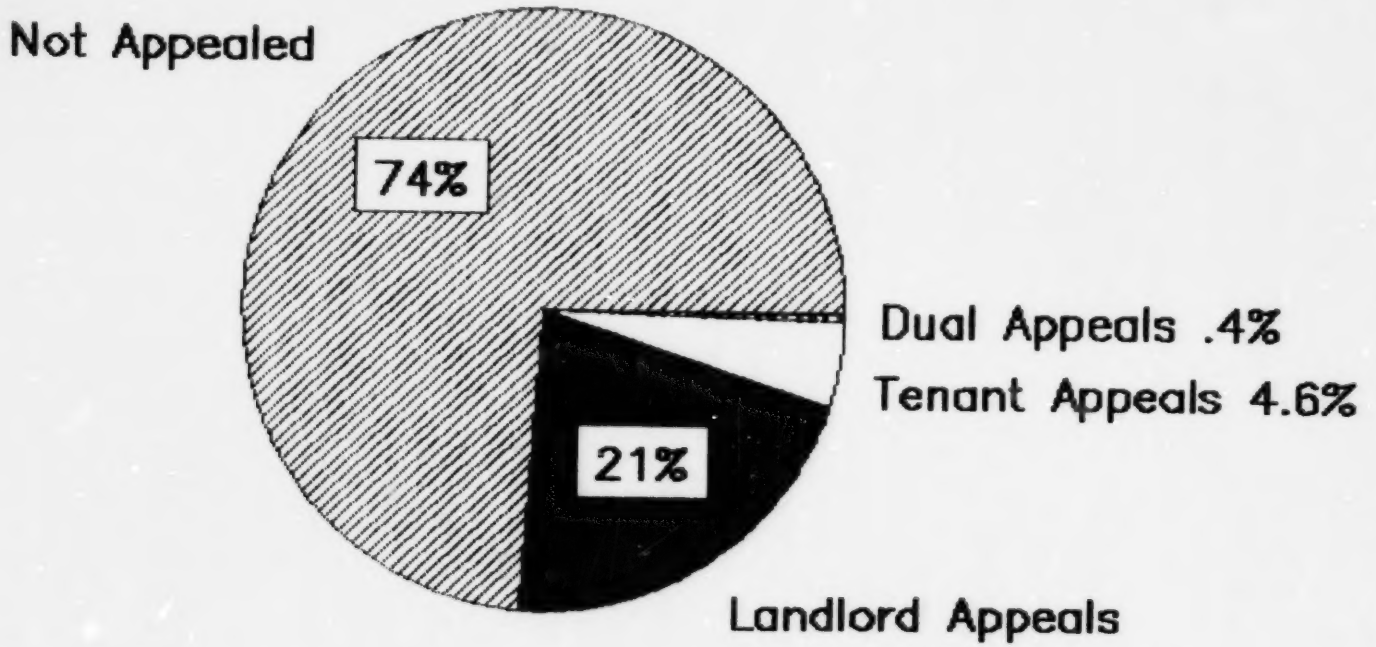


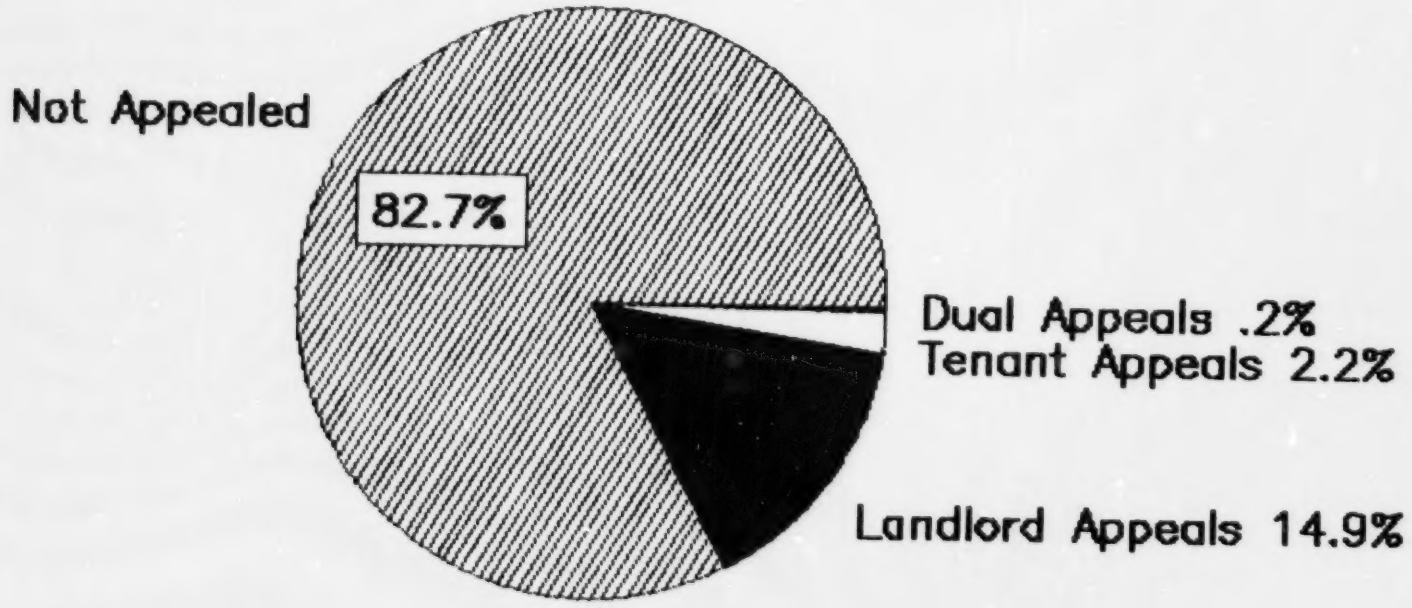
TABLE 2A

CALENDAR YEAR 1988

STATISTICAL SUMMARY FOR MANITOBA

APPEALS	1986/87 FISCAL YEAR	1987/88 FISCAL YEAR
Landlord Initiated	-	357
Tenant Initiated	-	54
Dual Initiated	-	5
Carried Forward	-	-
TOTAL	-	416
DECISIONS		
Recommendation Upheld	-	198
Recommendation Varied	-	48
Appeals Withdrawn/Rejected	-	2
APPLICATIONS FOR REHABILITATION		
Approved	-	-
Rejected	-	-
TOTAL	-	-
APPLICATIONS FOR EXEMPTION		
Approved	-	-
Rejected	-	-
Pending	-	-

Disposition of 1988 Applications
Fiscal Year Ended March 31/88



APPEALS

The Rent Regulation Bureau's recommendations for rent increases may be appealed by landlords or tenants. About 1 in 5 appeals received during the 1987/88 fiscal year and pertaining to 1987 rent increases originated from the tenant. This represents not only a reduction in actual numbers of tenant appeals but also a reduction in the ratio of tenant/landlord appeals when compared to the previous year. A number of appeals (42) were received from both parties - landlord and tenant. Tables 3A and 3B show average 1987 rent levels and increases for units where the Bureau's recommendations were subsequently appealed. This table reflects all appeals regardless of source.

It may be of more interest to examine 'landlord appealed units' and 'tenant appealed units' separately. Tables 4A and 5A show the average (Manitoba) rent on 'landlord appealed units' reached $380 after the Bureau allowed a 3.2% increase while the average rent for all units that applied for above guideline increases is given as $416 or a 5.2% increase in Table 15. Similarily, Tables 4B and 5B show average rents for 'tenant appealed units' as $430 or an 8.2% increase, again, against the $416 average rent for all units that applied to the Bureau.

By itself, this data appears to reflect the expected results. Landlords who find themselves with below average rent levels and are only granted a below average increase might be expected to appeal the Bureau's recommendation. Conversely, tenants who are asked to pay above average rents after an above average increase was granted by the Bureau, are likely to appeal.

However, this 1987 data contradicts, at least in part, a trend that had been developing over the past three years where 'landlord appealed units' were found to have a higher average rent level compared to the average rent level of all units that applied for above guideline increases. These results were seen as evidence that landlords did not base their decision to appeal a rent increase recommendation solely on inadequate rent levels but rather on low percentage increases allowed by the Bureau. Tenants, on the other hand, appear to consider both aspects; rents at or above the average along with relatively high increases granted by the Bureau often lead to tenant appeals.

Short of assuming a statistical aberration in the 1987 data relating to 'landlord appealed units', other factors may have caused this trend reversal.

One of the major factors, external to our data base, affecting the rental housing industry is the vacancy rate. Since April, 1986 the vacancy rate has more than doubled, from 1.1% to 2.8% in October, 1987. The added supply of rental accommodation may well have exerted some influence on landlords' decisions not to appeal a rent increase recommendation, especially where their rent levels are already well above the average.

The very limited 1988 appeal data precludes any testing at this time of the above assumption.

TABLE 3A

1987 AVERAGE RENT LEVELS ON APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	PRIOR TO RENT INCREASE	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	384	423	400	402
Brandon	149	162	155	155
Rural	376	404	397	395
Manitoba	374	412	390	391

TABLE 3B

1987 AVERAGE PERCENTAGE INCREASES ON APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	10.1	4.1	4.6
Brandon	9.1	3.9	4.1
Rural	7.4	5.5	5.0
Manitoba	10.0	4.1	4.6

TABLE 4A

1987 AVERAGE RENT LEVELS ON LANDLORD APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	PRIOR TO RENT INCREASE	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	380	417	393	395
Brandon	125	137	128	129
Rural	377	401	393	390
Manitoba	369	404	380	382

TABLE 4B

1987 AVERAGE RENT LEVELS ON TENANT APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	PRIOR TO RENT INCREASE	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	398	446	430	429
Brandon	409	437	435	435
Rural	376	409	402	402
Manitoba	397	445	430	429

TABLE 5A

1987 AVERAGE PERCENTAGE INCREASES ON LANDLORD APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	9.7	3.2	3.8
Brandon	9.8	3.0	3.3
Rural	6.4	4.3	3.5
Manitoba	**9.7**	**3.2**	**3.8**

TABLE 5B

1987 AVERAGE PERCENTAGE INCREASES ON TENANT APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	12.1	8.2	8.0
Brandon	6.9	6.4	6.4
Rural	8.7	7.0	7.0
Manitoba	**11.9**	**8.2**	**7.9**

TABLE 6A

1988 AVERAGE RENT LEVELS ON APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	PRIOR TO RENT INCREASE	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	421	451	434	436
Brandon	-	-	-	-
Rural	252	347	333	345
Manitoba	**412**	**446**	**429**	**431**

TABLE 6B

1988 AVERAGE PERCENTAGE INCREASES ON APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	7.3	3.3	3.7
Brandon	-	-	-
Rural	37.4	31.8	36.8
Manitoba	**8.2**	**4.1**	**4.6**

TABLE 7A

1988 AVERAGE RENT LEVELS ON LANDLORD APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	PRIOR TO RENT INCREASE	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	430	458	441	442
Brandon	-	-	-	-
Rural	252	347	333	345
Manitoba	421	452	435	437

TABLE 7B

1988 AVERAGE RENT LEVELS ON TENANT APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	PRIOR TO RENT INCREASE	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	332	391	376	378
Brandon	-	-	-	-
Rural	-	-	-	-
Manitoba	332	391	376	378

TABLE 8A

1988 AVERAGE PERCENTAGE INCREASES ON LANDLORD APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	6.4	2.4	2.8
Brandon	-	-	-
Rural	37.4	31.8	36.8
Manitoba	7.4	3.4	3.9

TABLE 8B

1988 AVERAGE PERCENTAGE INCREASES ON TENANT APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	17.7	13.3	13.8
Brandon	-	-	-
Rural	-	-	-
Manitoba	17.7	13.3	13.8